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NEWS

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Department of Insurance Urges Consumers to Explore Health Insurance Options for Domestic Partners

Agency highlights domestic partners benefits offered by state, local government units and businesses

CHICAGO – As laws affecting domestic partnerships continue to change, consumers need to get smart about their health care insurance to make sure they are properly covered. Numerous private employers and units of government currently offer domestic partner benefits, and more businesses are getting on board and offering similar coverage each year. The Illinois Department of Insurance is offering advice to help consumers take advantage of available benefits in order to protect their families.

“Health insurance is one of the most important financial safety nets anyone can purchase, and no family should be without,” said Michael T. McRaith, Director of the Illinois Department of Insurance. “With many employers and insurers already offering domestic partner benefits, consumers should check to make sure they are taking full advantage of the benefits to which they are entitled. If your employer does not currently offer domestic partner benefits, ask your benefits manager to consider adding the coverage.”

The Department of Insurance offers advice on domestic partner benefits:

- **Many units of government already provide benefits.** Employees of the State of Illinois, City of Chicago, Cook County, and many other units of government already enjoy domestic partner benefits. Check with your benefits manager to see if you can add coverage for a domestic partner.
- **Employer-provided benefits are on the rise.** Thirty-four percent of large employers offer benefits to domestic partners, a 180 percent jump from just 12 percent in 2000. Before enrolling, check directly with your health insurer or human resources department to ensure your partner will be covered, and how your employer’s plan verifies eligibility for your partner (usually through formal documentation).

- **Add your partner to an individual policy.** If you have an individual policy, check with your insurer about adding a domestic partner to it as a family member.
- **Establish coverage for children.** If you and your domestic partner have dependent children, they could be eligible for health care coverage as dependents. You may need to provide your employer or insurance company with legal documentation as proof of their dependency. Ask your legal advisor for details.
- **Learn tax implications.** Typically, health benefits provided to domestic partners through employers aren't exempt from federal tax liability. The benefits could be recognized as income, and pre-tax dollars from flexible spending accounts or health savings accounts cannot be used to cover domestic partner benefits. The recipient may be exempt from these taxes if supported by his or her partner. To determine if you meet the criteria, see page 33 of [IRS Publication 17](#) or contact a tax professional.
- **Establish health care power of attorney.** Domestic partners may want to consider creating a health care proxy or health care power of attorney document indicating that you have designated your partner to make medical decisions for you if you are incapacitated and also to allow for hospital visitation. The document should be prepared by an attorney and kept in a safe, accessible place if you or your partner needs it. You can also place it on file with your physician to make your doctor aware of your wishes. Ask your legal advisor for details.
- **If your employer's plan does not provide domestic partner coverage, then ask about including it at renewal.** Research and experience with domestic partner benefits shows that domestic partner coverage does not add significant additional costs to employer plans (estimated 1% to 3% maximum increase). Many insurers will only offer domestic partner benefits as part of a benefit package upon request of the employer. If your employer-sponsored plan does not include domestic partner benefits, ask your benefits manager to consider adding the coverage when the plan renews.

More Information

Visit the Illinois Department of Insurance Web site at <http://insurance.illinois.gov> or call toll-free at (877) 527-9431.

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